

Finding**Supporting Observations****Facilitating Condition****Plan of Action****Target Date****Other Accounts Payable Weaknesses:**

- A/p personnel did not perform Traditional Functions of independently matching invoices, purchase orders and receiving reports.

"Traditional" A/P matching functions were decentralized to avoid overwhelming A/P staff member, speed invoice processing and fix accountability with decision-makers. Centralizing responsibility will add to administrative overhead cost by requiring additional staff.

A/P staff member will note presence of documents when processing invoices, auditing all over \$5,000 and selected other invoices.

1st Quarter
2000

- invoice receipt was not centrally controlled.

Internal Control Coordinator will audit for compliance.

- a partial payment was not tracked to the completion of this project.

Purchase orders will be permanently modified to instruct vendors to route invoices directly to A/P unit.

Finding**Supporting Observations****Facilitating Condition****Plan of Action****Target Date****Other Inventory Weaknesses**

- inventory control over lease-to-buy equipment was not established.
- a vendor was relied upon to track the number and location of rented items.

Transfer and discharges of residents to whom equipment was assigned were not known by Materials Management. --

Materials Management will note transfers and discharges on daily census report to better track location of leased equipment. Nursing staff will also be instructed to notify Materials Management when physicians order discontinuance of equipment.

1st Quarter
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<u>Finding</u> <u>Supporting Observation</u>	<u>Facilitating Condition</u>	<u>Plan of Action</u>	<u>Target Date</u>
Other Receiving Weaknesses			
- Controls over the receipt of Oxygen were weak.	Deliveries were made after working hours or on weekends and holidays.	Oxygen cylinder inventory will be increased to reduce need for irregular deliveries. Vendor will be notified that if receiving staff is unavailable to have nursing supervisor confirm receipt and sign receiving document.	1st Quarter 2000
- Pharmacy receiving documents were not all on file.		Pharmacy receiving documents will be retained for required retention period.	

Finding <u>Supporting Observation</u>	<u>Facilitating Condition</u>	<u>Plan of Action</u>	D <u>Target Date</u>
Other Budgeting Weaknesses			
- inconsistent cost centers were being charged.		Department directors will be instructed to exercise more care in coding charges and more closely scrutinize monthly detail expense listing for erroneous charges and miscodings.	1st Quarter 2000
- incorrect cost centers were being charged.			
- frequently used items were not budgeted for when purchasing.			

Finding <u>Supporting Observation</u>	<u>Facilitating Condition</u>	<u>Plan of Action</u>	E <u>Target Date</u>
Cash Control Weaknesses			
- controls over petty cash disbursements were weak.		All petty cash disbursements will require receipts that will be subsequently cancelled to prohibit reuse. Disbursements in excess of \$200 will require the Administrators approval.	1st Quarter 2000
- improvement was needed in the controls over the administration of the movie ticket employee benefit program.		Responsibility for administration of program has been transferred to Accounting Department for better administration and monitoring.	

it is relatively large. The use of formal purchase orders is one way to control the process, but small municipalities need not institute them if the same result can be achieved without them.

Local government officials wanting to examine their purchasing procedures may use Section IV on Purchasing of the *Standards for Effective Local Government*, available from the Governor's Center for local Government Services of the Department of Community and Economic Development.